

State Corporation Commission 2011 Fiscal Impact Statement

1. Bill Number: SB907

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: McEachin

3. Committee: Commerce and Labor

4. Title: Electric utilities; inclining block rate schedules.

5. Summary: Electric utilities; inclining block rate schedules. Requires the State Corporation Commission, in any proceeding in which an electric utility asks to modify an existing residential retail rate structure, or to offer a new residential retail rate structure, to consider the extent to which such proposed rates encourage conservation and the efficient use of electricity by incorporating inclining block rate schedules. Inclining block rates charge higher rates for consumption that exceeds a certain amount per billing period. The Commission is also required to consider in such proceedings (i) the extent to which the utility expands the desired effect of its inclining block rate schedule by incorporating three or more blocks and by incorporating elements that are currently fixed rate and (ii) the extent to which the utility incorporates consumer awareness of the new rate structure and helps customers make informed choices and decisions with respect to efficiency investments. If requested by the utility, the Commission shall allow for the recovery of revenue reductions related to a decrease in energy consumption directly attributed to the new schedules. Finally, the measure directs the Commission to encourage investor-owned electric utilities to file a proposal to offer their residential customers a revenue neutral standard tariff under which rates reflect inclining block rate schedules that charge higher rates for consumption over a certain amount per billing period for the seven non-heating months of April through October and flat rates for the five heating months of November through March. The Commission is directed to publish, by January 1, 2012, guidelines that provide design standards for inclining block rates.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Are not available. See Item 8.

8. Fiscal Implications: The Virginia State Corporation Commission will incur the normal costs associated with promulgating regulations.

9. Specific Agency or Political Subdivisions Affected: Virginia State Corporation Commission

10. Technical Amendment Necessary: None

11. Other Comments: No.

Date: 1/12/11 CDW